

TEACHERS' RETIREMENT BOARD
BUDGETS AND AUDITS COMMITTEE

SUBJECT: 2001/2002 Proposed Budget Status Updated

ITEM NUMBER: 5

ATTACHMENT(S): 2

ACTION:

DATE OF MEETING: February 8, 2001

INFORMATION: X

PRESENTER(S): Peggy Plett

The Governor's Budget, released January 10, 2001, reflected the CalSTRS operating budget as approved by the Budgets and Audits Committee and the Teachers' Retirement Board. The proposed budget also reflects the General Fund contributions as required by statute. Copies of the CalSTRS budget pages are attached for your information.

The Budgets and Audits Committee asked staff to provide a breakdown of budget change proposals that included positions by those that reflect growth and those that are the result of legislative changes. The 2001/2002 proposed budget contains 30 additional positions or personnel years. Fifteen (15) of them are due to changes in legislation, 15 of them are due to business growth. A breakdown is attached.

The 15 PYs due to business growth represents approximately a 3% increase over the 523.5 authorized positions in 1999/2000.

1900 PUBLIC EMPLOYEES' RETIREMENT SYSTEM—Continued**EXPENDITURES**

Disbursements:

1900 Public Employees' Retirement System:

	1999-00*	2000-01*	2001-02*
State Operations	\$75	\$76	\$77
Unclassified:			
Service award payments	41	50	55
Totals, Disbursements	\$116	\$126	\$132
FUND BALANCE	\$2,423	\$2,697	\$3,015

CHANGES IN**AUTHORIZED POSITIONS**

	99-00	00-01	01-02	1999-00*	2000-01*	2001-02*
Totals, Authorized Positions	1,298.6	1,549.7	1,549.7	\$67,423	\$80,024	\$81,740
Salary adjustments	—	—	—	—	83	126
Totals, Adjusted Authorized Positions	1,298.6	1,549.7	1,549.7	\$67,423	\$80,107	\$81,866
Total Adjustments	—	—	—	—	\$83	\$126
TOTALS, SALARIES AND WAGES	1,298.6	1,549.7	1,549.7	\$67,423	\$80,107	\$81,866

1920 STATE TEACHERS' RETIREMENT SYSTEM

The California State Teachers' Retirement System (STRS) is the largest teachers' retirement system in the United States. It has a total membership of approximately 661,372 and assets of \$112.8 billion as of June 2000. STRS' primary responsibility is to provide retirement related benefits and services to teachers in public schools from kindergarten through the community college system.

The State Teachers' Retirement Board (Board) has exclusive control over the investment and administration of the Teachers' Retirement Fund. The Board makes rules, sets policies, and has the power and authority to hear and determine all facts pertaining to application for benefits under the retirement system. The twelve-member Board consists of four ex-officio members, including the Superintendent of Public Instruction, the State Treasurer, the State Controller, and the Director of Finance. The Governor-appointed members of the Board include four members of STRS, one retiree of STRS, and three representatives from the general public.

SUMMARY OF PROGRAM**REQUIREMENTS**

	99-00	00-01	01-02	1999-00*	2000-01*	2001-02*
10 Service to Members and Employers....	324.1	356.1	364.9	\$26,334	\$30,778	\$34,325
20 Administration—distributed	153.9	167.4	174.7	24,672	24,909	25,400
TOTALS, PROGRAMS	478.0	523.5	539.6	\$51,006	\$55,687	\$59,725
0001 General Fund (Retirement Contributions—Informational)				(936,528)	(902,353)	(873,564)
0835 Teachers' Retirement Fund				50,429	54,848	59,023
Supplemental Benefits Maintenance Account, Teachers' Retirement Fund				(63)	(63)	(63)
0995 Reimbursements				577	339	339
8001 Teachers' Health Benefits Fund				—	500	363

10 SERVICE TO MEMBERS AND EMPLOYERS**Program Objectives Statement**

The primary objectives of the STRS are as follows:

1. To maintain a financially sound retirement system.
2. To maintain an efficient operational system for the administration of STRS.
3. To continuously improve the delivery of benefits and services to STRS members.
4. To expand and improve upon benefits while minimizing taxpayer costs.

Income to the STRS is derived from member contributions, employing school district contributions, appropriations from the General Fund, and investment earnings (see 6300-Contributions to Teachers' Retirement Fund for State contributions for benefits). The cost of administration is paid from the State Teachers' Retirement Fund as provided in Section 22304 of the Education Code.

The STRS is responsible for the determination and payment of benefits to members, retirees, and beneficiaries, and for the distribution of information to all members, employers, and other interested groups. The three basic benefits provided by STRS are the service retirement allowance, survivor, and disability benefits. The basic retirement allowance is determined on the basis of a member's age, years of service, and final compensation. The member may modify the basic allowance by selecting a joint and survivor annuity option to provide for a beneficiary. Generally, the vast majority of the payments of benefits are made no later than 45 days after receipt of the application, effective date, or receipt of all necessary information.

For the list of standard (lettered) footnotes, see the end of the Governor's Budget.

* Dollars in thousands, except in Salary Range.

1920 STATE TEACHERS' RETIREMENT SYSTEM—Continued

Major Budget Adjustments Proposed for 2001-02

- \$5.3 million (\$3.9 million in one-time) and 4.6 positions for information technology and E-service projects. (Includes \$36,000 and 1.6 positions in Temporary Help and \$85,000 in Overtime).
- \$269,000 and 3 positions to establish a Health Benefits Program.
- \$326,000 and 4 positions to address enhanced investment activities in the Investment Branch.
- \$1.1 million and 8 positions to meet various workload increases in support and to administer new changes to the retirement statutes.
- \$398,000 and 4 positions to manage the billing service process.
- \$1.9 million and 8 positions to support the Supplemental Benefit Program.

Authority

Education Code, Section 22000 et seq.

SUMMARY BY OBJECT

1 STATE OPERATIONS

PERSONAL SERVICES	99-00	00-01	01-02	1999-00*	2000-01*	2001-02*
Authorized Positions (Equals Sch. 7A)	478.0	552.9	541.7	\$22,404	\$26,459	\$26,624
Total Adjustments	—	4.0	32.3	—	191	1,578
Estimated Salary Savings	—	-33.4	-34.4	—	-1,482	-1,587
Net Totals, Salaries and Wages	478.0	523.5	539.6	\$22,404	\$25,168	\$26,615
Staff Benefits	—	—	—	4,273	4,685	5,104
Totals, Personal Services	478.0	523.5	539.6	\$26,677	\$29,853	\$31,719
OPERATING EXPENSES AND EQUIPMENT				\$24,329	\$25,834	\$28,006
TOTALS, EXPENDITURES				\$51,006	\$55,687	\$59,725

RECONCILIATION WITH APPROPRIATIONS

1 STATE OPERATIONS

0001 General Fund

APPROPRIATIONS	1999-00*	2000-01*	2001-02*
011 Budget Act appropriation (State retirement contribution)	(\$936,528)	(\$1,003,271)	(\$873,564)
Revised estimate	—	(-100,918)	—
TOTALS, EXPENDITURES	(\$936,528)	(\$902,353)	(\$873,564)

0835 Teachers' Retirement Fund "

APPROPRIATIONS			
001 Budget Act appropriation	\$49,254	\$53,598	\$58,960
002 Budget Act (external investment advisors)	(52,600)	(52,600)	(62,000)
Revised estimate	(8,665)	(7,400)	—
Education Code Section 22954 (Administration of the Supplemental Benefit Maintenance Account)	63	63	63
Allocation for employee compensation	2,139	70	—
Adjustment per Section 3.60	-1,387	-285	—
Adjustment per Section 16.00	14	—	—
Chapter 740, Statutes of 1999 (Health Benefits Program Development)	625	—	—
Chapter 632, Statutes of 1999 (Minimum Allowance)	750	—	—
Chapter 1021, Statutes of 2000 (Supplemental Benefits)	—	600	—
Prior year balances available:			
Item 1920-001-0835, Budget Act of 1997 as reappropriated by Item 1920-490, Budget Act of 1998	549	—	—
Item 1920-001-0835, Budget Act of 1998 as reappropriated by Item 1920-490, Budget Act of 1999	600	—	—
Chapter 968, Statutes of 1998	1	—	—
Chapter 632, Statutes of 1999	—	312	—
Chapter 740, Statutes of 1999	—	490	—
Totals Available	\$52,608	\$54,848	\$59,023
Balance available in subsequent years	-802	—	—
Unexpended balance, estimated savings	-1,377	—	—
TOTALS, EXPENDITURES	\$50,429	\$54,848	\$59,023

* Dollars in thousands, except in Salary Range.

1920 STATE TEACHERS' RETIREMENT SYSTEM—Continued

0995 Reimbursements	1999-00*	2000-01*	2001-02*
Reimbursements	\$577	\$339	\$339
8001 Teachers' Health Benefits Fund ⁿ			
Education Code Section 25930	—	—	\$363
Chapter 1032, Statutes of 2000 and Education Code Section 25930	—	\$500	—
TOTALS, EXPENDITURES	—	\$500	\$363
TOTALS, EXPENDITURES, ALL FUNDS (State Operations).....	\$51,006	\$55,687	\$59,725

**SUMMARY BY OBJECT
RECONCILIATION WITH APPROPRIATIONS
4 UNCLASSIFIED**

0164 Teachers' Replacement Benefits Program Fund ^s			
BENEFITS PAID	1999-00*	2000-01*	2001-02*
Education Code Section 24260 (benefit payments).....	—	\$9	\$18
Totals, Benefits Paid.....	—	\$9	\$18
0835 Teachers' Retirement Fund ⁿ			
BENEFITS PAID	1999-00*	2000-01*	2001-02*
Education Code Section 24202 (benefit payments).....	\$3,432,962	\$3,791,771	\$4,187,675
Education Code Section 24414 (purchasing power benefit payments).....	190,478	185,207	256,399
Totals, Benefits Paid.....	\$3,623,440	\$3,976,978	\$4,444,074
ADMINISTRATION			
Section 22307 Education Code (administrative costs).....	141,364	148,786	160,483
TOTALS, EXPENDITURES	\$3,764,804	\$4,125,764	\$4,604,557
8001 Teachers' Health Benefits Fund ⁿ			
BENEFITS PAID			
Education Code Section 25930 (benefit payments).....	—	\$3,884	\$47,828
Totals, Benefits Paid.....	—	\$3,884	\$47,828
TOTALS, EXPENDITURES (Unclassified).....	\$3,764,804	\$4,129,657	\$4,652,403
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified) ...	\$3,815,810	\$4,185,344	\$4,712,128

FUND CONDITION STATEMENT

0164 Teachers' Replacement Benefits Program Fund ^s	1999-00*	2000-01*	2001-02*
BEGINNING BALANCE.....	—	—	—
REVENUES AND TRANSFERS			
Receipts:			
Operating Revenues:			
161400 Miscellaneous Revenue	—	\$9	\$18
Totals, Operating Revenues	—	\$9	\$18
Totals, Receipts	—	\$9	\$18
Totals, Resources	—	\$9	\$18
EXPENDITURES			
Disbursements:			
1920 State Teachers' Retirement System			
Unclassified:			
Benefits:			
Retired benefits	—	\$9	\$18
Totals, Benefits.....	—	\$9	\$18
Totals, Disbursements	—	\$9	\$18
REMAINING ASSETS AVAILABLE FOR FUTURE BENEFITS.....	—	—	—

* Dollars in thousands, except in Salary Range.

1920 STATE TEACHERS' RETIREMENT SYSTEM—Continued

0835 Teachers' Retirement Fund ⁿ

BEGINNING BALANCE (Prior year resources)

Assets:

	1999-00*	2000-01*	2001-02*
Cash in Treasury	\$1,932	\$3,234	\$3,000
Investments at Fair Value	99,562,570	111,320,194	124,781,917
Accounts receivable	2,853,025	4,815,591	4,000,000
Equipment	221	339	400
Securities Lending Collateral	15,516,345	16,107,099	17,000,000

Total Assets	\$117,934,093	\$132,246,457	\$145,785,317
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Liabilities:

Accounts payable	2,514,247	3,211,298	2,500,000
Deferred income	112,495	139,687	90,000
Other liabilities	6,279	6,685	6,000
Securities Lending Obligation	15,516,345	16,107,099	17,000,000

Total Liabilities	\$18,149,366	\$19,464,769	\$19,596,000
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BEGINNING BALANCE	\$99,784,727	\$112,781,688	\$126,189,317
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Prior year adjustment	-1,784	-	-
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Balance, Adjusted	\$99,782,943	\$112,781,688	\$126,189,317
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REVENUES AND TRANSFERS

Receipts:

Operating Revenues:

215000 Income from investments:			
Purchasing power receipts (State Lands Royalties)	2,704	3,210	4,000
Other investment income	12,700,718	13,391,212	14,119,245
221000 Member contributions	1,532,380	1,579,271	1,627,597
299000 State Contribution (Benefits Funding)	518,584	454,624	385,539
299000 Purchasing power receipts (SBMA) Federal	-	36	36
299000 Purchasing power receipts (SBMA)	417,944	447,729	488,025
299000 Employer contributions	1,590,891	1,653,890	1,719,384
299000 Other receipts	436	400	300
299000 Securities Lending Income (net) ¹	50,321	57,869	66,550

Totals, Operating Revenues	\$16,813,978	\$17,588,241	\$18,410,676
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Totals, Resources	\$116,596,921	\$130,369,929	\$144,599,993
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EXPENDITURES

Disbursements:

1920 State Teachers' Retirement System

State Operations:

Administrative support	50,429	54,848	59,023
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Unclassified:

Benefits:

Retired benefits	3,266,570	3,615,647	4,000,846
Disability family benefits	79,031	83,314	87,830
Survivor benefits	33,714	36,067	38,585
Death benefits	53,295	56,743	60,414
Subvention payments	352	-	-
Purchasing power payments (SBMA and State Lands Royalties)	190,478	185,207	256,399

Totals, Benefits	\$3,623,440	\$3,976,978	\$4,444,074
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Other:

Investment advisors	61,253	60,000	62,000
Refunds	79,987	88,730	98,428
Delinquent benefit payment penalties	49	50	50
Benefit Related Legal and Tax Claims	75	5	5

Totals, Other	\$141,364	\$148,785	\$160,483
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9670 Legislative Claims (State Operations)	-	1	-
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Totals, Disbursements	\$3,815,233	\$4,180,612	\$4,663,580
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REMAINING ASSETS AVAILABLE FOR FUTURE BENEFITS	\$112,781,688	\$126,189,317	\$139,936,413
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¹ Securities Lending Expenses have been netted against Securities Lending Income in compliance with GASB 28.

1920 STATE TEACHERS' RETIREMENT SYSTEM—Continued

8001 Teachers' Health Benefits Fund ⁿ

BEGINNING BALANCE (Prior year resources)

Assets:

	1999-00*	2000-01*	2001-02*
Investments at Fair Market Value	—	—	\$388
Total Assets	—	—	\$388
Liabilities:			
Other Liabilities	—	—	—
Total Liabilities	—	—	—
BEGINNING BALANCE	—	—	\$388
REVENUES AND TRANSFERS			
Receipts:			
Operating Revenues:			
299000 Employer contributions	—	\$4,772	53,610
Totals, Operating Revenues	—	\$4,772	\$53,610
Totals, Receipts	—	\$4,772	\$53,610
Totals, Resources	—	\$4,772	\$53,998
EXPENDITURES			
Disbursements:			
1920 State Teachers' Retirement System			
State Operations:			
Administrative support	—	500	363
Unclassified:			
Benefits:			
Health benefit premiums	—	3,884	47,828
Totals, Benefits	—	\$3,884	\$47,828
Totals, Disbursements	—	\$4,384	\$48,191
REMAINING ASSETS AVAILABLE FOR FUTURE BENEFITS	—	\$388	\$5,807

CHANGES IN

AUTHORIZED POSITIONS

99-00

00-01

01-02

1999-00*

2000-01*

2001-02*

Totals, Authorized Positions	478.0	552.9	541.7	\$22,404	\$26,459	\$26,624
Workload and Administrative Adjustments:						
Cash Balance Benefits Program:						
Temporary Help	—	—	0.7	—	—	14
Overtime	—	—	—	—	—	3
Totals, Workload and Administrative						
Adjustments	—	—	0.7	—	—	\$17
Proposed New Positions:						
Administration Branch:						
Personnel Office:				Salary Range		
Staff Svcs Analyst	—	—	1.0	2,507-3,957	—	43
Pers Techn II	—	—	1.0	2,476-3,009	—	37
Administrative Services:						
Assoc Info Sys Analyst	—	—	1.0	4,110-4,997	—	54
Investments Branch:						
Investments Support:						
Investment Ofcr II	—	—	2.0	5,189-6,307	—	137
Investment Ofcr I	—	—	1.0	4,301-5,228	—	57
Assoc Investment Ofcr	—	—	1.0	3,915-4,759	—	52
Client Benefits and Services Branch:						
Client Benefits and Services Management:						
Temporary Help ¹	—	—	1.6	—	—	38
Overtime ¹	—	—	—	—	—	77
Public Service Office:						
Sr Pension Prog Rep ⁴	—	1.0	—	2,626-3,193	35	—
Pension Prog Mgr	—	—	1.0	4,520-5,453	—	60
Pension Prog Supvr	—	—	1.0	4,113-4,963	—	55

* Dollars in thousands, except in Salary Range.

1920 STATE TEACHERS' RETIREMENT SYSTEM—Continued

	99-00	00-01	01-02	1999-00*	2000-01*	2001-02*
Sr Pension Prog Rep	—	—	6.0	Salary Range \$2,626-3,193	—	\$199
Temporary Help ¹	—	0.5	—	—	\$9	—
Information and Financial Systems Branch:						
Revenue and Special Accounting:						
Sr Acctg Ofcr	—	—	2.0	3,915-4,759	—	104
Benefits Accounting:						
Sr Acctg Ofcr ^{2, 4}	—	1.5	3.0	3,915-4,759	78	156
Information Technology Services Division:						
Overtime ¹	—	—	—	—	—	50
Staff Info Sys Analyst	—	—	2.0	4,507-5,480	—	119
External Affairs and Program Development Branch:						
Legislation, Planning, and Program Development Division:						
Assoc Info Sys Analyst	—	—	1.0	4,110-4,997	—	55
Assoc Pension Prog Analyst ⁴	—	0.5	—	3,915-4,759	43	—
Assoc Pension Prog Analyst	—	—	1.0	3,915-4,759	—	52
Pension Prog Rep	—	0.5	—	2,029-2,855	26	—
Pension Prog Rep	—	—	1.0	2,029-2,855	—	31
Cash Balance Benefit Program:						
Sr Pension Prog Rep	—	—	1.0	2,626-3,193	—	35
Pension Prog Rep ³	—	—	1.0	2,029-2,855	—	31
Health Benefits Program Development:						
Assoc Govtl Prog Analyst	—	—	1.0	3,915-4,759	—	52
Staff Svcs Analyst	—	—	1.0	2,507-3,957	—	36
Ofc Techn	—	—	1.0	2,348-2,855	—	31
Totals, Proposed New Positions	—	4.0	31.6	—	\$191	\$1,561
Totals, Adjustments	—	4.0	32.3	—	\$191	\$1,578
TOTALS, SALARIES AND WAGES	478.0	556.9	574.0	\$22,404	\$26,650	\$28,202

¹ One-time temporary help and overtime to expire 6/30/02.² One limited-term position to expire 6/30/03.³ One limited-term position to expire 6/30/03.⁴ Chapter 74, Statutes of 2000 effective 1/1/00.

* Dollars in thousands, except in Salary Range.

6255 CALIFORNIA STATE SUMMER SCHOOL FOR THE ARTS—Continued**0942 Special Deposit Fund ⁿ**

APPROPRIATIONS	1999-00*	2000-01*	2001-02*
Government Code Section 16370 and Education Code Section 8957 (expenditures)	\$834	\$873	\$873
TOTALS, EXPENDITURES, ALL FUNDS (State Operations).....	\$1,564	\$1,764	\$1,829

6300 STATE CONTRIBUTIONS TO THE STATE TEACHERS' RETIREMENT SYSTEM

Funding for the State Teachers' Retirement System (STRS) is received from four separate sources: (1) teacher members who contribute 8 percent of their salary; (2) employing school districts which contribute 8.25 percent of member payroll; (3) income from investments; and (4) contributions from the State General Fund. From 1972 to 1976, the State contributed \$135 million annually for the purpose of funding retirement benefits which were in effect on June 30, 1972. Chapter 323, Statutes of 1976, as amended by Chapter 991, Statutes of 1976, provided an additional amount of \$9.3 million to fund a one-time cost of living increase in benefits. The State continued to contribute \$144.3 million through fiscal year 1979-80.

Effective July 1, 1980, Chapter 282, Statutes of 1979, annually appropriated \$144.3 million from the State General Fund for transfer to the STRS, cumulatively increased or decreased by the June to June change in the composite California Consumer Price Index (CCPI) for the Los Angeles and San Francisco areas for the preceding year. This Chapter also appropriated \$10 million in Fiscal Year 1980-81 and \$20 million in Fiscal Year 1981-82, with annual increases of \$20 million thereafter. This amount was also indexed to the CCPI.

Chapter 460, Statutes of 1990, repealed the existing statutory contributions, and eliminated the 1990-91 contribution required by Chapter 282/79. Effective July 1, 1991, Chapter 460, Statutes of 1990, appropriated annually from the General Fund for transfer to the STRS an amount equal to 4.3% of total salaries of the preceding calendar year upon which members' contributions were based. This legislation, named the "Elder State Teachers' Retirement System Full Funding Act", was to provide full funding of both the normal cost deficit and the amortization of the unfunded obligation. Chapter 83, Statutes of 1991, amended this Act to provide for four quarterly transfers instead of a single annual transfer, and changed the date of the first transfer to October 1, 1991.

The "Elder State Teachers' Retirement System Full Funding Act" was amended by Chapter 967, Statutes of 1998. The 4.3% formula factor of Chapter 460, Statutes of 1990, was reduced and replaced by 0.524% to fund the normal cost deficit or the amortization of the unfunded obligation. This 0.524% factor is reduced to zero if there is neither a normal cost deficit nor an unfunded obligation. The 0.524% factor may be adjusted upwards annually for no more than 0.25% and in no case may the factor exceed 1.505%. Since there is neither a normal cost deficit nor an unfunded obligation, it is not necessary for the General Fund to make a contribution under this provision.

Chapter 967 also provided funding from the General Fund for improved teacher retirement benefits. This funding is equal to 3.102% of teachers' salaries of the immediately preceding calendar year upon which members' contributions are based. Teacher retirement benefits were significantly improved through Chapters 74, 1021, 1026, 1027, 1028, 1029, and 1032, Statutes of 2000. Chapter 1021 changed the General Fund contribution, which is based on the teachers' salaries of the immediately preceding calendar year, to 2.5385% beginning January 1, 2001, and to 1.975% annually thereafter. As a statutory appropriation, the State contributions are not appropriated through the annual Budget Act.

Effective July 1, 1989, Chapters 115 and 116, Statutes of 1989, established the Supplemental Benefit Maintenance Account (SBMA) to provide for purchasing power maintenance up to 68.2% of the value of the original benefit. Effective January 1, 1998, Chapter 939, Statutes of 1997, increased the SBMA purchasing power maintenance from 68.2% to 75% of the value of the original benefit. The State General Fund provides a statutory transfer to the STRS of an amount equal to 2.5% of the teachers' salaries. If, however, the 2.5% annual General Fund contribution is insufficient to support 75% purchasing power, the Teachers' Retirement Board can: (1) transfer funds from the Teachers' Retirement Fund if no STRS unfunded obligation exists; (2) increase employer contributions; or (3) reduce the SBMA benefit payment. Any increase in employer contributions must be approved through the Budget Act. Chapter 1006, Statutes of 1998, authorizes vesting of purchasing power maintenance within specified limits from the SBMA. As a statutory appropriation, the state contribution for purchasing power is not appropriated through the annual Budget Act.

Major Budget Adjustment Included in 2000-01

- A decrease of \$101 million from the General Fund for teacher retirement benefits pursuant to Chapter 1021, Statutes of 2000.

Major Budget Adjustments Proposed for 2001-02

- An increase of \$40 million from the General Fund for SBMA purchasing power maintenance.
- A decrease of \$170 million from the General Fund for teacher retirement benefits. (Education Code, Section 22955(a)).

Authority

Sections 22954, 22955, Education.

**SUMMARY BY OBJECT
RECONCILIATION WITH APPROPRIATIONS****2 LOCAL ASSISTANCE****0001 General Fund**

APPROPRIATIONS	1999-00*	2000-01*	2001-02*
Education Code Section 22954 (Supplemental Benefit Maintenance Account)	\$417,944	\$447,729	\$488,025
Education Code Section 22955(a), Chapter 967, Statutes of 1998 (Benefits Funding)	518,584	—	—

For the list of standard (lettered) footnotes, see the end of the Governor's Budget.

* Dollars in thousands, except in Salary Range.

**6300 STATE CONTRIBUTIONS TO THE STATE TEACHERS'
RETIREMENT SYSTEM—Continued**

	<i>1999-00*</i>	<i>2000-01*</i>	<i>2001-02*</i>
Education Code Section 22955(a), Chapter 1021, Statutes of 2000 (Benefits Funding)	—	\$454,624	\$385,539
TOTALS, EXPENDITURES (Local Assistance)	\$936,528	\$902,353	\$873,564

**6330 CALIFORNIA OCCUPATIONAL INFORMATION
COORDINATING COMMITTEE**

Program Objectives Statement

The California Occupational Information Coordinating Committee (COICC) is funded annually by the National Occupational Information Coordinating Committee, which is responsible for improving and coordinating the development and implementation of occupational information systems at the national and state levels. Federal legislation (Carl D. Perkins Vocational Education Act of 1984) mandates state occupational information coordinating committees for states that receive vocational education funds.

COICC, which was established in 1978, is responsible for coordinating the development of an occupational information system (OIS) that will address the occupational information needs of occupational program planners and administrators and the career information needs of youth and adults, and for fostering communication between the users and producers of occupational information. COICC is required to annually report on the design, funding and implementation of the OIS in California. COICC consists of representatives of the California Department of Education, Employment Development Department, Trade and Commerce Agency, Chancellor's Office of the California Community Colleges, State Job Training Coordinating Council, Bureau for Private Postsecondary and Vocational Education, Department of Rehabilitation, Department of Social Services, and Employment Training Panel.

Authority

Education Code, Sections 8120–8134.

**SUMMARY OF PROGRAM
REQUIREMENTS**

	<i>99-00</i>	<i>00-01</i>	<i>01-02</i>	<i>1999-00*</i>	<i>2000-01*</i>	<i>2001-02*</i>
10 California Occupational Information Coordinating Committee	1.1	2.0	2.0	\$231	\$287	\$292
TOTALS, PROGRAMS	1.1	2.0	2.0	\$231	\$287	\$292
0890 Federal Trust Fund				231	287	292

**SUMMARY BY OBJECT
1 STATE OPERATIONS**

	<i>99-00</i>	<i>00-01</i>	<i>01-02</i>	<i>1999-00*</i>	<i>2000-01*</i>	<i>2001-02*</i>
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	1.1	2.0	2.0	\$39	\$107	\$107
Net Totals, Salaries and Wages	1.1	2.0	2.0	\$39	\$107	\$107
Staff Benefits	—	—	—	8	23	24
Totals, Personal Services	1.1	2.0	2.0	\$47	\$130	\$131
OPERATING EXPENSES AND EQUIPMENT				\$184	\$157	\$161
TOTALS, EXPENDITURES				\$231	\$287	\$292

**RECONCILIATION WITH APPROPRIATIONS
1 STATE OPERATIONS
0890 Federal Trust Fund**

	<i>1999-00*</i>	<i>2000-01*</i>	<i>2001-02*</i>
APPROPRIATIONS			
001 Budget Act appropriation	\$282	\$286	\$292
Allocation for employee compensation	8	1	—
Adjustment per Section 3.60	-6	—	—
Budget adjustment	-53	—	—
TOTALS, EXPENDITURES (State Operations)	\$231	\$287	\$292

For the list of standard (lettered) footnotes, see the end of the Governor's Budget.
* Dollars in thousands, except in Salary Range.

January 29, 2001

REVISED BUDGET CHANGE PROPOSALS
2001-2002
STATE TEACHERS' RETIREMENT SYSTEM
Position Count by Legislation or Growth

<u>PROPOSED CHANGE</u>	<u>Total Positions</u>	<u>Legislation</u>	<u>Growth</u>
1. Establish three positions in support of developing the Health Benefits Program. (SB 1435)	3.0	3.0	
2. Provide funding for consultant services for examination selection in the Personnel Office.			
3. Personnel Office			
A. Establish one position to develop, redesign HR management practices	1.0		1.0
B. Establish one position in support of the exam process.	1.0		1.0
4. Provide funding for a replacement reproduction machine and a color copy machine.			
5. Establish one position in support of the Board Room and Technical Training room.	1.0		1.0
6. Provide funding for the department-wide training budget.			
7. Establish four positions in support of additional activities in the Investment Office.	4.0		4.0
8. Augment Temporary Help and Overtime in the Client Benefits and Services Branch to accommodate START implementation.			
9. Establish four positions in the Client Benefits and Services Branch to manage the billing service process.	4.0	2.0	2.0
10. Provide funding for a new Member Financial Guide.			
11. Establish one position in the Client Benefits and Services Branch to process workload associated with partial redeposit billings (AB 820).	1.0	1.0	
12. Provide funding for new general ledger software.			
13. Establish one position in the Accounting Division to process workload related to rollovers and receivables.	1.0		1.0
14. Establish one position in the Accounting Division to process workload associated with partial redeposits (AB 820).	1.0 LT	1.0 LT	

January 29, 2001

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Position Count by Legislation or Growth

<u>PROPOSED CHANGE</u>	<u>Total Positions</u>	<u>Legislation</u>	<u>Growth</u>
15. Establish one position in the Legislation , Planning & Program Dev. Div. in support of CalSTRS' website.	1.0		1.0
16. Establish two positions (one LT) in support of the Cash Balance Benefit Program.	2.0		2.0
17. Establish one position and funding for the design and development of a database for the Cash Balance Program.	DELETE		
18. E-Service			
A. Provide funding for computer telephony integration improvements.			
B. Provide funding for a web enabled text chat pilot project.			
C. Provide funding in the Legis. Planning & Program Dev. for a web module on financial education & retirement planning.			
D. Electronic service projects.			
19. OMNIBUS TECHNOLOGY			
A. Provide funding for replacement of two IBM Production Printers.			
B. Provide funding for e-mail technology upgrades, software and STRSNet infrastructure maintenance.			
C. Provide funding for STRSNet infrastructure and maintenance.			
D. Provide funding to implement corporate imaging and workflow technology. The project will initially be managed by the Info. Tech Services Div.			
20. Provide funding to support the START database system and ongoing maintenance strategy.	2.0		2.0
21. AB 1509 - Supplemental Benefit Program			
A. Provide funding in the Public Service Office to support workload related to AB1509	3.0	3.0	
B. Provide funding in Information & Financial Services Branch to	3.0	3.0	

January 29, 2001

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2001-2002
STATE TEACHERS' RETIREMENT SYSTEM
Position Count by Legislation or Growth

<u>PROPOSED CHANGE</u>	<u>Total Positions</u>	<u>Legislation</u>	<u>Growth</u>
support workload related to AB1509.			
C. Provide funding in External Affairs and Program Development Branch to support workload related to AB 1509 and to contract with a Third Party Record Keeper.	2.0	2.0	
TOTAL BCP Positions	<u>30.0</u>	<u>15.0</u>	<u>15.0</u>

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